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FISCAL IMPACT STATEMENT

LS 6776

BILL NUMBER: SB 284

NOTE PREPARED: Feb 27, 2006

BILL AMENDED: Feb 21, 2006

SUBJECT: Development of Statewide Trauma System.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR: Rep. T Brown

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the State Department of Health as the lead agency for the development and implementation of a statewide trauma system, and authorizes the State Department to adopt rules concerning the trauma system.

This bill also provides that an organization that is exempt from the State Gross Retail Tax is exempt from the food establishment requirements if the organization does not have paid staff whose primary responsibility is to prepare and serve food.

Effective Date: July 1, 2006.

Explanation of State Expenditures: *Statewide Trauma System:* The fiscal impact of this bill will be dependent on administrative actions taken by the State Department of Health. The bill names the Department as the lead agency for the development, implementation, and oversight of a statewide comprehensive trauma system. The bill allows the Department to adopt rules concerning the development of a trauma registry and standards for trauma care-level designations for hospitals.

(Revised) *Food Establishment Sanitary Standards:* The role of the State Department of Health in enforcement of the sanitary standards is limited to inspections on state-owned properties such as the State Fairgrounds. The State Fair Board currently requires all participants involved in the sale of food items to comply with the sanitary requirements and to be inspected. The provisions of this bill would be expected to have limited impact on the level of resources used by the Department to enforce the sanitary requirements for food establishments.

Appropriation Background: The State Department of Health administrative appropriations were made from the dedicated Tobacco Master Settlement Agreement Fund for FY 2006 and FY 2007. Revenues from fees and penalties collected by the Department are deposited in the state General Fund, with augmentation allowed in amounts not to exceed the additional revenue from fees or penalties received after July 1, 2003.

Explanation of State Revenues: *Statewide Trauma System:* The Department reports that the lead agency designation is necessary in order to receive available federal funding for trauma system development.

(Revised) *Food Establishment Sanitary Standards:* This bill provides that certain nonprofit groups and organizations that have filed for an exemption from the State Gross Retail Tax with the Department of State Revenue (DOR) will no longer have to comply with certain requirements in order to be exempt from the Department of Health sanitary requirements for food establishments. (Current law specifies that these groups are exempt if members of the organization prepare and label the food that will be sold to the final consumer and that the organization have sales of food for no more than 30 days in a calendar year.) The fiscal impact to the state would be limited, if any.

Background Information, Food Establishment Sanitary Standards: Monetary penalties provided under the State Department of Health rules promulgated at 410 IAC 7-23-1 include fines that have a maximum penalty of up to \$1,000 per day for noncompliance. Certain violations may also be considered to be Class B misdemeanors. Civil penalties collected are deposited in the state General Fund or local health department fund.

The State Department of Health reported that they do not track how many nonprofit organizations file waivers of the exemption with the Department. The Department does not charge a fee for organizations filing waivers of exemption.

Explanation of Local Expenditures: (Revised) *Food Establishment Sanitary Standards:* Local health officers are responsible for the local enforcement of the sanitary requirements for food establishments. Enforcement actions may be one of two options. The local health officer may (1) furnish evidence to the local prosecutor or (2) file a report with the State Department of Health. This bill would exempt certain nonprofit organizations that are currently are required to comply with the requirements for sanitary conditions in food establishments, potentially relieving the local health officers from enforcement inspections of the State Department of Health rules. The State Department of Health reported that the number of organizations that must comply with the rules because they exceed the exemption parameters or that voluntarily file waivers of exemption with the local health officers is not known.

Explanation of Local Revenues: (Revised) *Food Establishment Sanitary Standards:* Nonprofit organizations that are not exempt or that file waivers of exemption currently may be required to comply with local licensing requirements for retail food establishments that include an annual fee. The State Department of Health reported that some counties waive the fee for charitable organizations but that this is not a statewide practice. If a local ordinance requires a license fee, this bill would result in the loss of local license fee revenue. The amount of revenue affected by the provisions of this bill is not known.

State Agencies Affected: State Department of Health.

Local Agencies Affected: Local health officers.

Information Sources: Indiana State Department of Health.

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